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SUBJECT: LOOKING AHEAD TO OCTOBER 23 PRESIDENTIAL VOTE

Classified by: Ambassador Asif J. Chaudhry for reasons 1.4 (b) and (d)

¶1. (S) Summary: The Alliance has nominated Marian Lupu as their unified candidate for the Presidential vote now scheduled to take place in the Parliament on October 23. With October 17 as the deadline for registration of candidates, it is not clear yet if the PCRM will nominate an alternative candidate. Behind the scenes horse trading is actively in swing to determine whether the PCRM will allow support for Lupu's candidacy or force repeat elections. Lupu (strictly protect) confided in the Ambassador that a group of 10-12 PCRM deputies were ready to split from the party and vote for him under the condition that he allowed a profitable wine deal with Russia to remain in force. More publicly the Communists have suggested willingness to support Lupu if Ghimpu was removed as Speaker. If the Parliament fails to elect Lupu in the first round then he would "consider his options" which at least theoretically, might include a deal with the Communists.

¶2. (C) If Parliament fails to elect a President after two rounds, then repeat Parliamentary elections would be inevitable. Analysts are divided about whether the Communists would be further weakened during the intervening period while it was out of power or whether the population would blame the Alliance for economic difficulties, causing a backlash back towards support for the PCRM. A likely outcome of repeat elections might be a Parliament once again too divided to allow election of a President. Constitutional change or amendments to the electoral law remain possible options to exit this trap. End Summary.

So Far Only One Candidate Nominated

¶3. (SBU) Once presidential voting was scheduled for October 23, the Alliance quickly moved to nominate Marian Lupu as their unified candidate. The petition nominating him was signed by 26 of the Alliance's 53 deputies. The deadline for registration of candidates is October 17 at midnight. The Communists have not yet nominated an alternative candidate and it is not clear if they will do so. While multiple presidential candidates are considered preferable, the law does not require a second candidate.

¶4. (SBU) If the PCRM nominated a candidate, thereby permitting its deputies to vote, then there would be a chance that while in the voting

booth, PCRM MPs could actually cast their vote for Lupu. If the PCRM does not nominate a candidate and chooses to boycott, then Communist MPs will only be able to vote for Lupu by openly breaking with the party in order to walk to the voting booth. There are 12 MPs in the Communist faction who are not actual party members and might not consider themselves bound by party pronouncements.

15. (SBU) Under the law it is considered preferable for there to be at least two candidates for President, but there is no legal requirement to have more than one candidate. Ghimpu has stated that if the Communists do not nominate a candidate, then the Alliance may nominate a second candidate; however for now, Lupu is the Alliance's only candidate. As only 26 Alliance deputies signed Lupu's petition, the Alliance would still have the manpower for a second nomination. During the previous Parliament's May balloting, the PCRM had nominated Moldovan Ambassador to Russia Negruța as the second, nominal candidate; all PCRM deputies voted for Greceanii, while the second candidate received no votes at all.

Will Lupu get the Eight PCRM Votes?

16. (SBU) Almost daily, the press reports new statements by either former President Voronin's advisor Mark Tkaciuk or former Parliamentary Deputy Speaker Grigore Petrenco asserting that the

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PCRM will not vote for the AIE candidate for President. However, the most recent statements have introduced doubt, replacing categorical refusal with the notion that the PCRM would "probably not" nominate a candidate for president. The latest quotes suggest that the PCRM has not yet decided whether it will nominate a candidate for the presidential post.

17. (S) Behind the scenes, it is clear that horse trading is taking place. On September 29 Lupu (strictly protect) confided in the Ambassador that Communist MP Vladimir Turcan had claimed he had a group of 10-13 PCRM MPs ready to make a break with the party and vote for Lupu under the condition that the Alliance allowed the wine deal with Russia to stand. Though Turcan had been pushing to seal the agreement in that meeting, Lupu had avoided a commitment, suggesting that they vote for him first.

18. (C) By way of background, Urechean had complained to us about a cognac deal on September 16, so we presume Turcan was referring to that same deal. As part of a list of assets he claimed that the Communists were trying to steal in their last days before stepping down from power, Urechean said that the PCRM had just signed an agreement with Russia for Moldovan "Beliy Aist" cognac to be bottled there for 25 years. Urechean was upset about this news, calling the much-beloved cognac Moldova's "national heritage." He claimed that this contract would bring Voronin and his family one million dollars per month, citing as support an article in Moldovski Vedomosti noting that the Voronin's make fifty cents per bottle and suggesting that the flow of cognac was at least two million bottles per month.

19. (C) On October 7, Urechean told the Ambassador that he was working "day and night" on convincing the Communists to vote for Lupu. He said that a

week earlier had had gone into the forest with Voronin, where the two had talked for two hours. Similarly, earlier that day Urechean had held discussions with Communist MP Misin and previously with MPs Turcan and Calin who, according to Urechean all agreed that repeat elections would not be good. Urechean cited as a positive sign the fact that instead of a categorical "no," the most recent PCRM statements left open possibilities. Urechean told the Communists that it would look better if PCRM MPs were allowed to enter the booths to vote, rather than force a public split.

¶10. (C) Lupu told the Ambassador he had credible information that Filat planned to meet with Tkaciuk in the coming days. Though ostensibly Filat's goal was to push for the Communists to provide the eight votes, Lupu had his doubts about Filat. Meanwhile, Lupu reported that Tkaciuk had called him and asked for a meeting in the coming days for some "serious" talks. Lupu said he was considering requesting a meeting with Voronin to discuss the situation with him directly. Lupu believes that Filat prefers the option of going to new elections.

If Lupu is Elected President

¶11. (C) If Marian Lupu is elected as President, then the AIE will have a fully-formed government and be able to work more effectively to implement its agenda. Both the West and East would be satisfied to see Lupu as President and he thus holds significant potential to help Moldova through the rocky times ahead. Much was made in the Moldovan press of the apparent Russian support for Lupu evidenced during the Oct 8-9 CIS Summit in Chisinau, when Russian President Medvedev held a bilateral meeting with Lupu and allowed him to participate in the Heads of State meeting, while spurning Voronin's request for a meeting.

¶12. (C) Despite this external support, the AIE would still face some significant challenges to its cohesion. Differences in opinion on issues like NATO, relations with Russia and Moldova's history

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risk putting strains on the Alliance. The four parties have come together in an alliance of convenience, but remain seriously divided by differences in ideology.

¶13. (C) Rivalry between Lupu and Filat risk triggering off the "Ukrainian scenario" in Moldova, repeating Yuschenko's and Tymoshenko's difficulties in working together as President and Prime Minister. Even if the Alliance maintains effective cohesion, it will still face the challenges of ruling a country where 45 percent of the population did not vote in favor of the government and with a parliamentary opposition group that controls 48 of the 101 votes in Parliament. Additional challenges stem from the economic crisis and insufficient cash in the tillers to meet budgetary needs.

What Would Happen Between First and Second Rounds?

¶14. (C) If the October 23 voting fails to elect a President, then a second round of voting must be held within a fifteen day period, and before the November 11 deadline. A key question remains what

would happen during that fifteen day period. This could be taken as a sign that no deal is possible and the only option is repeat elections. Or, on the other hand, Lupu might take action. In an October 7 meeting Lupu confided to the Ambassador that if after the first round, he felt that Filat had not tried hard enough to support him, then, he would have to "weigh his options." Among those options to be weighed would be the possibility of leaving the Alliance, perhaps taking Urechean with him, and forming a left-center coalition with the Communists.

What if Parliament Cannot Elect a President?

¶15. (C) While the Constitution is clear about the fact that the Parliament must be dissolved if it fails to elect a President in two tries and the fact that Parliamentary elections cannot be held more than twice in one year, it is silent on the questions of when repeat elections must be held, and how long an Acting President may remain in power.

¶16. (C) If the Parliament fails to elect a President by November 11, the Alliance may legally choose to dissolve the Parliament once January 1, 2010 has arrived and hold repeat Parliamentary elections as early as possible, or they may opt for delay, certainly for several months and perhaps much longer. The current Parliament could work well into 2010 and perhaps longer. The law fails to specify any deadline by which this repeat voting must take place. It would appear to be to AIE advantage to delay, at least for some months, in order to have time to take effective control over the power structures and introduce reforms.

How Would Repeat Elections Turn Out?

¶17. (C) Political observers are divided about their predictions for the outcome of elections if they were held in 2010. One school predicts a further drop in popularity for the PCRM in 2010 stemming from the Alliance's success in putting together a government and ongoing dissatisfaction among a Western-leaning population with the Communist agenda. Since the PCRM stepped down from power and can no longer provide opportunistic rewards for its supporters within the power structure, people are leaving the party. Among the Communist defectors are those who voted for Lupu in the July 29 elections. We have also heard credible reports of splits within the party.

¶18. (C) However the other school (favored by PCRM) predicts the opposite, suggesting the population will blame the Alliance for hardships connected to the economic crisis, and arguing that once out of power, Marian Lupu's popularity will drop.

¶19. (C) Though there is some logic to each

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argument, it is also likely that the balance of power might not stray far from its current levels, and thus we might see a situation where, once again, neither side has the majority required to elect a president. Repeat elections in 2010, could lead to a situation where the forces were once again divided. In its most extreme case, a parliament of 51-50 would not allow either side to elect a speaker or, more likely, a parliament in which one side has 50's and the other 40's, would

permit election of a speaker, but not a President.

¶20. (C) If the current parliament is dissolved and repeat elections take place in 2010, it is possible that AMN might not make it across the threshold. Both PL and PLDM might increase their positions somewhat. The key struggle would be between PCRM and Lupu for the left-center vote. Filat appears to be interested in repeat elections, while Urechean understands he has nothing to gain.

Hopes for Splits

¶21. (C) The PCRM's main hope is that disagreements within the Alliance will lead to fractionalization, marginalization and a split within Lupu's Democratic Party. The PCRM hopes that rising prices and economic crisis will discredit the AIE in the minds of the electorate, creating a window of opportunity for the Communists to return to power. The PCRM thus continues to propose and pressure for a left-center coalition. In this context, the ongoing statements by the PCRM that they will not vote for Lupu are likely just posturing, a game meant to influence the population and frighten Lupu and the Democratic Party into believing that they should take their 13 votes and join PCRM's 48 to have the 61 needed to elect a President.

¶22. (C) The weakest party within the Alliance is Urechean's AMN. Their chances of making it into the Parliament in the event of repeat elections are very weak. During the previous Parliament's unsuccessful May voting, it was believed within the PCRM that Urechean would provide the one "Golden Vote" needed then to elect a President. Though he stood firm within the Alliance, given his Communist past and reputation for being available for purchase, some perceive him as the weak point in the Alliance.

Constitutional Change: A Legal Option

¶23. (C) One option the Alliance is considering is the possibility of constitutional change. Although a 2/3 vote (i.e. 67 MPs) is needed to amend the Constitution, it appears that a new constitution could be introduced by a simple majority. In several meetings with the Ambassador Ghimpu has suggested introducing a new constitution as possible way around the constitutional difficulties in electing a President. However, in an October 7 meeting Lupu told the Ambassador he categorically opposed the idea of changing the constitution -- he believed that Constitution should be sacred, and not changed at will for the sake of political convenience.

Comment

¶24. (C) The Alliance has quickly used its Parliamentary majority to put a government in place, and then further consolidating its position with the appointment of a new head of SIS and the Procurator of General. The biggest unknown factor now remains whether they can succeed in electing a President. Russian support, hints of a split within the PCRM and enlightened self interest all hint at reasons why the Communists should allow the eight votes, but stubbornness and unwillingness to cooperate are likely stronger motivations. The possibility of

repeat elections remains a very strong one but, in
the meantime, it is still too early to determine

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the outcome.

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